Document of
The World Bank

Report No.: 49121

PROJECT PERFORMANCE ASSESSMENT REPORT

NEPAL

BASIC AND PRIMARY EDUCATION II PROJECT
(CR. 3185)

JUNE 26, 2009

Sector Evaluation Division
Independent Evaluation Group

Currency Equivalents (annual averages)

Currency Unit = (rupee)

Basic and Primary Education Project

As of September 15, 1998 (Appraisal)	As of November 18, 2004
US$1 = NPR 67.51	US$1 = NPR 72
NPR 1 = US$0.015	NPR 100 = US$1.39

Community School Support Project

As of March 2003 (Months before Appraisal)	As of September 30, 2008
US$1 = NPR 78.3	US$1 = NPR 73.22
NPR 1 = US$0.0133	NPR 1 = US$0.013657

Abbreviations and Acronyms

BPEP	Basic and Primary Education Project
CAS	Country Assistance Strategy
CERID	Center of Educational Innovation and Development
CSSP	Community Schools Support Project
DANIDA	Danish International Development Agency
DCA	Development Credit Agreement
DFID	United Kingdom Department for International Development
EFA	Education for All
EMIS	Educational Management information system
EU	European Union
FTI	Fast-Track Initiative to achieve Education for All
GDP	Gross domestic product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
ICR	Implementation Completion Report
IDA	International Development Association
IEG	Independent Evaluation Group
ISR	Implementation Status and Results Report
JICA	Japan International Cooperation Agency
MoES	Ministry of Education and Science
NGO	Nongovernmental organization
NLSS	Nepal Living Standards Survey
NORAD	Norwegian Agency for Development Cooperation
OECD	Organization for Economic Cooperation and Development
PAD	Project Appraisal Document
PCU	Project Coordination Unit
PISA	Programme for International Student Assessment
PIRLS	Progress in International Reading Literacy Study
PIU	Project Implementation Unit
PHRD	Policy and Human Resources Development
PPAR	Project Performance Assessment Report
PRSP	Poverty Reduction Strategy Paper
PRSC	Poverty Reduction Strategy Credit
QAG	Quality Assurance Group
SAR	Staff Appraisal Report
SMC	School management committee
SWAP	Sector-Wide Approach
TIMSS	Trends in International Mathematics and Science Study
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations Children's Fund

Fiscal Year

Government: January 1 — December 31

Director-General, Evaluation	:	Mr. Vinod Thomas
Director, Independent Evaluation Group, World Bank	:	Ms. Cheryl Gray
Manager, Sector Evaluation Division	:	Ms. Monika Huppi
Task Manager	:	Ms. Helen Abadzi

IEGWB Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEGWB annually assesses about 25 percent of the Bank's lending operations. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons. The operations, topics, and analytical approaches selected for assessment support larger evaluation studies.

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and fieldwork conducted by IEGWB. To prepare PPARs, IEGWB staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country to discuss the operation with staff of the Bank and the government, other stakeholders, and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader IEGWB studies.

Each PPAR is subject to peer review and IEGWB management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the borrower for review; the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEGWB Rating System

The time-tested evaluation methods used by IEGWB are suited to the broad range of the World Bank's work. The methods offer both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEGWB evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEGWB website: http://worldbank.org/ieg).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance of objectives, efficacy, and efficiency. *Relevance of objectives* is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). *Efficacy* is the extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings:* High, Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability. The rating has two dimensions: government performance and implementing agency performance. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Table of Contents

Figures

Tables

Principal Ratings

	*ICR**	*ICR Review**	*PPAR*
Basic and Primary Education II Project (Cr. 3185)			
Outcome	Satisfactory	Moderately Satisfactory	Moderately Satisfactory
Risk to Development Outcome**	--	---	Moderate
(Sustainability)	Likely	Likely	---
Bank Performance	Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank. The ICR Review is an intermediate IEG product that seeks to independently verify the findings of the ICR.
** According to the 2006 harmonization guidelines, sustainability has been replaced with a "risk to development outcome" rating.

Key Staff Responsible

	Task Manager/ Leader	*Division Chief/ Sector Director*	*Country Director*
Basic and Primary Education II Project (Cr. 3185)			
Appraisal	Grant Sinclair	Ralph Harbison	Hans Rothenbuhler
Supervision	Brajesh Panth	Michelle Riboud	Kenichi Ohashi
Completion	Rajendra Dhoj Joshi	Michelle Riboud	Kenichi Ohashi

Preface

This is the Project Performance Assessment Report (PPAR) on an education project in Nepal.

The Basic and Primary Education II Project (Cr.3185) was approved on March 30, 1999 for a credit of US$12.5 million equivalent. The credit closed on July 15, 2004 after two extensions totaling 24 months, and US$0.34 million were canceled. Donors such as Denmark, Finland, the European Commission, and Norway provided co-financing totaling US$58.17 million.

The PPAR was conducted to assess the outcomes of Bank policy and investments in a low-income country that underwent a period of civil conflict and political upheaval.

The document is based on the following sources: Implementation Completion Reports (ICRs), Project Appraisal Documents (PAD) Development Credit Agreements and PHRD Grant Agreement for the projects, and project files, particularly the supervision reports. Also, IEG consulted the research literature, reports on Nepal, and data on schooling trends. An IEG mission visited Nepal in September 2008 to interview officials, donors, and beneficiaries, observe instruction in schools, and collect other pertinent information. Field visits took place in Kathmandu, Dulikhel, Okhreni, and Charikot districts. The author thanks the government officials who received the mission for their extensive cooperation.

Following standard IEG procedures, copy of the draft report was sent to government officials and agencies for their review and comments. No formal response was received.

Summary

This document reviews the performance of the Nepal Basic and Primary Education II Project (Cr. 3185 approved in FY99). Overall, this project aimed at improving access, quality, and management of primary and secondary education, partly through decentralization to district and community levels.

The Basic and Primary School Project II (BPEP II) was a complex project that aimed at implementing the government's decentralization strategy in the education sector and improving management capacity at the central, district, and local levels. Implementation proved challenging, particularly because it took place during a period of an escalating civil war. Although some numerical targets were not met, the project helped shift planning, budgeting, and implementation powers to district and community levels.

The development objectives of the project were *highly relevant* to the country's human resource development. The relevance of project design was substantial; the design paid much attention to management issues at all levels but had few details on quality of education issues. Overall, project relevance was rated *substantial.*

The outcome of the *Basic and Primary School Project II* is rated *moderately satisfactory.* The project decentralized decision-making; it facilitated systemic expansion and resulted in a substantial increase of education access for girls and disadvantaged groups. However, activities aimed at improving quality of education had modest results and a limited effect on learning outcomes. Risk to development outcome is rated *moderate*, due to uncertainties regarding poorer students' school attendance and acquisition of basic skills. Bank performance is rated *satisfactory.* Quality at entry was compromised by complexity, but the project was supervised diligently. Borrower performance is also rated *satisfactory.* The government made strong efforts to meet project challenges, establish a viable monitoring system, and carry out financial management satisfactorily.

This assessment provides a number of lessons for the education sector:

- Government commitment and donor financing can be effective in increasing access for the poor and disadvantaged children in low-income countries. Decentralization of management to district levels may help attain this goal if budgetary outlays are also decentralized (para.3.7). To improve learning outcomes, however, attention must be given to instructional aids and the learning conditions of classrooms (para. 3.12, 4.1).

- Scholarships targeting the very poor or disadvantaged may not always be distributed as expected, particularly when criteria are unclear and decisions are left up to local school authorities (para.3.24). Small scholarship amounts may also have limited practical value. More research is needed to understand the value of small scholarships as an incentive for the very poor (para. 2.7).

- Collection of reliable data is crucial to donor and government activities. However, local-level inaccuracies and incentives to over-report enrollments may result in significant statistical distortions. Triangulation of data from other sources may be needed to arrive at estimates that approximate true values (para. 4.6).

Vinod Thomas
Director-General
Evaluation

1. Background

1.1 Nepal is a largely mountainous, predominantly agricultural country with a US$340 per capita income. The official language and lingua franca is Nepali (native to 49 percent of the population), but the country's 23 million people speak about 56 languages and belong to about 101 ethnic groups. Approximately 86 percent reside in rural areas and about 31 percent live in poverty.[1] About 46 percent of the Nepalese are Hindus of various castes, while the remainder consist of Buddhists and believers of religions that are outside the Hindu caste system.

1.2 The terrain and the country's cultural norms had impeded access to education for women, minority ethnic groups (janjatis) and lower-caste Hindus (dalits).[2] One reason was a lack of public education before 1971; the country's educational system consisted of about 4000 schools mainly for the upper castes which were managed by community committees.[3] Social inequities eventually gave rise to a civil war that started in 1996, intensified in 1999, and ended effectively in 2007.

1.3 Social disparities in access to education have remained high; in 2001, gross enrollment in the poorest fifth of households was only 22 percent compared to 90 enrollment in the wealthiest fifth (World Bank 2001, p. 7). Schooling opportunities for women have improved over time, but in 1999, literacy was still estimated at 63.3 percent for men and 25.5 percent for women, while 40 percent of girls were still out of school.[4] Twice as many boys as girls appeared in the Secondary School Leaving Certificate examination, and boys performed better (52 vs. 44 percent) in 1998.

1.4 One reason for the limited school participation has been dropout and repetition. Out of 100 children enrolling in Grade 1 in 1998, only around 18 completed the cycle in five years and about 41 percent completed eventually. Of grade 1 entrants around 30 percent completed lower secondary (grade 8) and 10 percent completed grade 10.[5] Of the few who entered grade 11, only 24 percent passed the grade 12 higher secondary education examinations in 1998 (39 percent in 1999). On average, students who graduate take two years more than the prescribed time, with two thirds repeating at least one grade; only 40-50 percent of those who complete grades 6-10 do so without repeating at least one grade. Even in Tribhuvan University, the country's largest higher education institutions,

---

[1] The poverty figure is from the 2003/04 Nepal Living Standard Survey. In 1999 about 71 percent were estimated as living under the poverty line and 20 percent just above it (Bhattachan,1999:90, cited in Sowton, circa 2004).

[2] World Bank Country at a Glance, 2008; Janjatis account for about 37 percent of the population, and dalits for about 13 percent (Gurung 2002). About 42 percent of Nepalis are illiterate, 28 percent have only primary education, 32 percent secondary and 1.6 percent higher education (Yadav 2008).

[3] G. Shrestha et al. 2002.

[4] Basic and Primary Education Project II (BPEP II) Project Appraisal Document (PAD), p.58. Nepalese schools offer primary education (grades 1-5), lower secondary education (grades 6-8), secondary education (grades 9-10) and higher secondary education (grades 11-12). The Department of Education regulates grades 1 to 10, and the Higher Secondary Education Board grades 11-12. Schools tend to have primary and secondary grades in one facility.

[5] World Bank 2001, p. 9.

only 25 percent of students in general subjects (and 35 in technical subjects) completed their study without repetition.[6] So overall, few students learn the information that the educational system is expected to provide them. Absenteeism may limit instruction, or information may not be provided in ways that help knowledge consolidation and retrieval when needed, so students repeat classes.

1.5 *Decentralization.* Community management and user groups have been Nepalese traditions in a number of sectors. Institutional weaknesses, geographical isolation, and the civil war revived interest in community management of schools. In 1999, a Self Governance Act was passed, decentralizing the management of services to sub-national level of government (municipalities/villages and district levels) and strengthening community participation in their management for sectors such as education, health, drinking water, irrigation and forestry. In 2001 the Education Act was amended to provide a legal framework for partnerships between elected local governments (municipalities for urban areas, Village Development Committees for rural areas and District Development Committees (at the district level) and the central government, both at the national and sub-national level (mostly district level administration of line ministries). All public schools were reclassified by law as "community schools" and were to be managed by a School Management Committee. Support for decentralized decisions in education has become an integral part of the government and donors' education strategy. The Bank has also supported community management in nearly all sectors through investment credits, the First Poverty Reduction Support Credit (PRSC; FY06, P074685),[7] and a Learning and Innovation Loan (LIL) that became effective in 2003. The Basic and Primary Education (BPEP II) project supported community management in all schools of the country, whereas projects subsequently appraised supported management committees that agreed to a formal transfer of responsibility.

BANK AND DONOR SECTOR STRATEGY

1.6 *Donor Coordination and Sectoral Financing.* The physical beauty and cultural wealth of Nepal have attracted tourism as well as foreign aid. In education, bilateral aid includes Finland, Norway, Sweden, Denmark, United Kingdom, Netherlands, Germany, Canada, and Japan. Other donors include the Asian Development Bank (ADB) and several United Nations agencies (World Food Program, United Nations Development Program-UNDP, UNESCO, and the United Nations Population Fund-UNFPA). Donors have been coordinating and co-financing education since 1991. Recent operations have been sector-wide approaches (SWAp). Funds are pooled, and expenses are made against a list of categories in the budget. Since the project supports a sector-wide approach, it is implemented throughout the country. The Ministry of Education and Sports (MoES) prepares annual work plans and budgets, collects monitoring data and reports progress to donors twice a year.

---

[6] World Bank 2001 (Priorities and Strategies in Education, p. 9)

[7] PRSC ICR, p. 1. The PRSC priorities included strengthening community user groups in irrigation and rural roads and also a handover of sub-health posts to management committees.

1.7 Alleviating the poverty of socially excluded groups, particularly women, became an important goal of Bank and donor strategy. Lending started in 1978 with two technical education projects, but the Bank soon focused on access to primary education through the Education III project; it then continued with the first and second Basic and Primary Education Projects (BPEP I-II; Table 1-1).[8] Following the completion of BPEP II (the subject of this report), the Bank co-financed, along with eight other donors, an Education for All (EFA) project in 2004 (to be completed in July 2009), and it appraised a School Reform Program project in 2008-09.

Table 1-1: World Bank - Education Lending in Nepal

Projects	Project ID	Credit No	Approval FY	Closing	Actual Credit Amount US$M	Actual Project Cost US$M	Canceled US$M	IEG Ratings Outcome
Completed Projects								
Education I (Technical)	P010117	0772	1978	09/30/1985	6	6.51	1.01	Unsatisfactory*
Education II	P010166	1198	1982	12/31/1991	14.3	16.32	2.93	Satisfactory*
Education III (primary)	P010199	1463	1984	06/30/1992	12.78	13.17	3.1	Satisfactory
Agricultural Manpower	P010208	1534	1985	12/31/1994	8.4	15.5	0.8	Unsatisfactory
Engineering Education	P010333	2044	1989	12/31/1999	11.4	27.3	0	Satisfactory
Earthquake School Rehabilitation	P010335	2047	1989	02/29/1996	23.2	25.49	2.9	Satisfactory
Basic and Primary Education I	P010395	2357	1992	12/30/1999	30.6	58	0.02	Satisfactory
Higher Education	P010454	2560	1994	11/30/2001	20	19.52	3	Satisfactory
Basic and Primary Education II	P040612	3185	1999	07/15/2004	13	70.33	0.34	Moderately Satisfactory
Community Schools Support	P082646	3808	2003	09/30/2008	5	5.18	0	
Total Completed					114.68	257.32	14.1	
Ongoing								
Education for All	P040613	H3400	2005	01/31/2010	50			
Second Higher Education	P090967	H2740	2007	01/15/2014	60			
Total								

*Note: Ratings for these older projects were imputed from statements in completion reports.

1.8 The following sections discuss the implementation details of the BPEP II. Various sections discuss relevance, implementation experience, mission visits,[9] and evidence

[8] BPEP I increased access to education by 800,000 students. It built 14,232 new classrooms and 670 training resource centers, rehabilitated about 8462 classrooms, established a learning assessment system, recruited and trained many female teachers, and awarded scholarships to poor girls.

[9] The IEG mission visited nine schools in Kathmandu, Dulikhel, Okhreni, and Charikot districts: Viswaniketan primary and secondary school, Kathmandu; Samajik Kalyan primary school, Dulikhel; Kalika Praveen school, Manthali; Sri Janakalyan, Okhreni district; Gaurishankar higher secondary school, Ramechhap; Banghari primary and lower secondary school, Ramechhap; Bhimeshwar primary school, Ramechhap; Sri Janavijaya primary, rural Charikot, Bhairawi secondary school, Sunarpani, Charikot. This was a convenience sample and was used for illustration rather than rating projects. Nearly all schools were in poor rural areas of hilly terrain. Classes were extensively observed, and interviews were held with

regarding efficacy that is the extent to which project activities and inputs may have contributed to outputs, outcomes, and impacts. The project had a single objective with multiple parts. For greater clarity each part is discussed separately, but only one efficacy rating is given to each objective (Table 2-1).

2. Project Objectives, Relevance, and Implementation

2.1 This operation was originally approved in 1999 as a first in a series of three-year Adaptable Programmatic Lending projects. During the 2001 mid-term review, the project was restructured as a five-year program. Some partners other than IDA contributed additional funds (about US$14.5 million), and the closing date was extended by two years. [10] The basket funding mechanism proved functional and flexible for the donors and government. At the district and school levels, funding was based on the preparation of annual work programs and budgets. School management committees were expected to formulate school improvement plans, submit funding proposals on this basis, and also receive block grants on the basis of student enrollments to finance the school improvement projects. The 23 districts of lowest female enrollments received targeted funding (See Annex Table A-1 for details). At the end of the project a joint donor evaluation was conducted, headed by DANIDA (2004).

2.2 The objectives of BPEP II are expressed differently in the Project Appraisal Document (PAD) and the Development Credit Agreement (DCA, Table 2-1). This report uses the PAD objectives, because the DCA objective did not refer to measurable outcomes and improved equity. Also the DC did not have a reference to equitable access, an issue that was essential in country strategy and part of the project components. Thus, this report assesses the three main sub-objectives in the PAD: (a) strengthen institutional capacity at national, district, and school levels; (b) deliver more efficient and better quality basic and primary education services to raise learning achievement and assure quality of learning outcomes; and (c) increase equitable access, especially for girls and underserved communities.

---

teachers, principals, and some management committee members. Pertinent mission findings are discussed in various sections.

[10] Project donors were Denmark (DANIDA), the European Union, Finland, Norway (NORAD). Japan (JICA), UNICEF and ADB provided technical and financial support on the basis of existing agreements with Government within the overall policy framework for the subsector. (For the acronyms of bilateral agencies see p. 2 of this document.) Because the project timeframe changed, total costs over five years exceed appraisal project costs.

Table 2-1: Basic and Primary Education II Project (Cr. 3185)	
Objectives	*Components*
Project Appraisal Document: The objective of the Project is to strengthen institutional capacity at national, district and school levels to deliver more efficient and better quality basic and primary education services, thereby raising learning achievement and increasing equitable access, especially for girls and under-served communities. **Development Credit Agreement (DCA)** To assist the Borrower in carrying out the first phase of its Basic and Primary Education Program which aims to strengthen institutional capacity at national, district and school levels to deliver more efficient and better quality education services.	⇒ **Strengthening institutional capacity** (US$18.8 m at appraisal, US$21.38 m actual) for staff development and training programs, management information system, development of formats and manuals. ⇒ **Raising learning achievement** (US$14 m at appraisal, US$21.11 m actual) for curriculum development, action research, materials development, textbook provision, continuous assessment; expansion of teaching support systems, school-based in-service training, construction of multipurpose teacher resource centers, pre-service teacher certification, distance education teacher upgrading. ⇒ **Increasing equitable access** (US$22.9 m at appraisal, US$27.85 m actual) for early childhood education programs targeted at disadvantaged children, (e.g., free textbooks and scholarships), construction and renovation of classrooms, and community mobilization programs.

Relevance

2.3 For BPEP II, the relevance of objectives is **high**. Improving equitable access to quality education and bringing resources closer to the beneficiaries to reduce wastage and mismanagement were fundamental objectives of the 1998 and 2003 Country Assistance Strategies (CAS), and they have remained relevant.[11] The program was consistent with the government's Ninth Plan and the Sub-Sectoral Development program (1998-2003).

2.4 Design relevance is **substantial**. The project aimed to improve access and quality by strengthening implementation capacity at the district and school levels (Annex Table A-1). It focused on better monitoring, emphasized teacher training and supervision, and introduced activities that were innovative at that time, such as school-level plans, scholarships for the poorest, and early childhood education. However, the design had some shortcomings. The PAD mentions a concern that the poorer communities of Nepal might not be able to manage schools or raise the funds as expected for school improvement plans. (Risk was rated moderate, but no clear remedies were proposed.) Project documents offered details on quality-oriented issues but some of the options chosen were unrealistic; for example, the viability of continuous assessments in large classrooms was not tested or conceptualized in detail. The PAD expressed the belief that if students remained in school up to grade 3 they would be more likely to complete primary (p. 29). To keep children in school longer the Bank encouraged the government to adopt 'liberal promotion.' However, no means were developed to help the children

[11] BPEP II PAD, p. 4; funding mechanisms are discussed on p. 61.

who were falling behind learn the required material and pass grades or stay in school. Overall, relevance is rated **substantial.**

2.5 *Implementation experience*. BPEP II was an ambitious project with many donor staff involved, some of whom had limited appraisal experience. From an administrative standpoint, the project was complex. (DANIDA 2004). Activities were organized in 17 subcomponents, and 95 cost centers had to be established, from which the government was expected to abstract procurement information in order to compile project monitoring reports. The financial reporting system was described by government staff as very burdensome, and there was some concern that Bank procurement rules centralized rather than decentralize procedures (DANIDA 2004). Consultant hiring was slow, leading to delays and missed deadlines. The project operated during a period of increasing conflict. During the first year of its effectiveness, the Maoist insurgency became significant and later generalized. Thus, many activities became difficult or impossible, and communication with some districts was effectively cut off.

2.6 Due to administrative complexities, the project was not ready for implementation upon approval, and little was accomplished in the first 18 months. (The ICR rated quality at entry unsatisfactory). During the mid-term review held in 2001, the 17 subcomponents were consolidated into five areas: school physical facilities, access and retention of students, learning and achievement, management and capacity building, and school improvement programs along with development activities and quality enrichments. No changes were made to the objectives or overall components (DANIDA 2004).

2.7 The project was affected at various times by the civil war. About 2000 schools closed at some point. The need to flee conflict areas affecting the education of about 250,000 children that often crowded classrooms in the Tarai. Over 150 teachers were killed during the conflict and hundreds more left their posts due to forced migration or abduction). Many supervisors could not visit their posts or visited those close to roads. Some regional education offices were damaged, and project records were destroyed. Staff responded creatively in district offices to maintain the delivery of some services, such as selecting roadside safe areas to conduct meetings. A mobile training unit was launched by one primary teacher training centre, and some schools distributed scholarships more transparently. Inevitably some areas received less service. Some district education staff and teacher union officials reported to the DANIDA-led joint evaluation mission that MoES did not adequately acknowledge the conflict or provide guidance and response to requests for support. The insurgency was an important obstacle to implementation, but it did not fully account for the problems faced by the project (DANIDA 2004).

3. Achievement of the Project Objectives

(a) Strengthen institutional capacity at national, district, and school levels (substantial)

3.1 Capacity development was the most important achievement of this project. Lending helped implement the government's decentralization laws in order to make the system more efficient. Numerical targets for various activities were not always achieved,

but at the end of the project, much of the central authority had been decentralized to districts and communities. Thus, the project achieved some important results in capacity development[12] (Annex Table A-1). Highlights were:

3.2 *Capacity development in the central, district and local levels.* A Department of Education was established in MoES as a technical agency that would implement the project and develop the needed curricula and materials for training at all levels. Important policies were promulgated to enhance service delivery and limit wastage. For example, a teacher inventory was developed, which helped determine that the system had a sufficient numbers of teachers at that time. Therefore it was agreed that the number of permanent teachers, about 83,000, would be capped at the 1998 levels. Future expansion would be covered mainly by temporary and locally hired teachers.

3.3 The Department of Education undertook extensive training to promote decentralization policies and strengthen field staff competencies at district and local education offices (e.g. inspectors and supervisors were trained on financial management). Few trainers were available, and it was hard to conduct multiple workshops in the country, so many plans were altered. The Joint Donor Evaluation found that training efforts were inadequate in duration and information, and that staff did not feel more knowledgeable after these events. In addition, resource persons had to do many administrative tasks that limited the time available for monitoring instruction.

3.4 *Management information system.* Data collection had been limited as a result of terrain and security issues, and lack of reliable educational statistics had been a major problem facing donors and government in Nepal over the years. The project established a monitoring system to meet the reporting needs. Schools now provide information twice a year that is efficiently entered in district and central databases. Error rates were high in the early years (reportedly 50 percent of the schools submitted incomplete data during BPEP II),[13] and there is still scepticism about the high net enrollment rates. However, the system has evolved and produces relatively reliable statistical reports at the start and end of school year (called Flash reports). During BPEP II, the donors also produced an independent set of monitoring reports to verify the data produced by the system (TRSE 2003-06). That was discontinued after consistency with MoES data was achieved.

3.5 *Operations of the school management committees.* After the passage of the Education Act,[14] it was expected that the better off communities would raise significant

[12] DANIDA 2004; BPEP II ICR p. 17

[13] Formative Research Project Longitudinal Study, CERID 2005. The per capita funding may also be inflating enrollment rates, but the incidence is unclear.

[14] BPEP II ICR p. 17, 24. In 1971 the National Education System Plan made all schools public, and the lower castes were eventually permitted to enroll. School committees remained in existence in many schools. The nine-member committee consists of: one chair and other three persons, including one female, who are to be selected by the parents from among themselves. Other members are the Ward president of the Village Development Committee or Municipality where the school is situated, one person nominated by School Management Committee from among the founders of the school or donors to the school, one teacher selected by the teachers, and the headmaster, who is also the secretary (Source: Nepal Education Act 2028 (1971) as amended by the Seventh Amendment 2058 (2001) and in effect since 2002).

amounts for their schools to supplement government funding, so project funding would focus on the poorer communities.[15] The project supported implementation through assistance to organize and training community committees (Annex Table A-1). A 2006 study of schools in three districts found that community-based monitoring was functional in many schools but overall had many limitations (data collected at project end; also see Annex Table B-3). There were no conceptual frameworks or minimum standards, training for committees had been insufficient, and the task was perceived differently by different people. In particular, *the study found that committees did little monitoring or supervision of classroom instruction.* The better educated committees tried to ensure that students did homework, but less educated communities had little interest in the school. School development initiatives were taken by individual committee chairs rather than member teams, but many chairmen were not guardians of students. For example, only 34 percent of preschool chairmen were actual guardians of children in the school. The study also found that leadership of the head teacher was crucial.[16] The findings raised questions regarding the effectiveness of school management committees as the central strategy for improving educational quality, particularly in low-income areas.

3.6 *School improvement plans.* School management committees were expected to consult with their constituents, produce annual school improvement plans reflecting the needs of the school, and obtain a block grant to fund these needs. Three-day training was given for this task, often provided by NGOs, but many participants considered the sessions inadequate (DANIDA 2004). Some participants considered the format and manual too complex. Nevertheless, about 6,000 plans were prepared (out of about 23,000 schools), up from about 2,500 estimated at appraisal. The school improvement plans submitted typically focused on infrastructure rather than quality issues (drinking water, bathrooms). The forms were reviewed by District Education Offices, but funding was limited, so many requests were not honored.[17] Typically sufficient investment expenditures were allocated for essential civil works, but not for instructional materials other than textbooks. Some committee members questioned the amount of work needed to carry out the plans and sign contracts with the district offices for execution of works, particularly since some items were necessary (like chalk) and the MoES could have provided them (DANIDA 2004, p. 69).

3.7 A longitudinal study (CERID 2007) found that school-level planning had a positive and significant effect on student promotion rates, even controlling for

---

According to some persons interviewed by the mission, management committees should hold democratic elections, but the Act did not clarify this issue or the electoral procedures. Before the BPEP II appraisal there was a pilot of organizing committees consisting mainly of parents, including mothers.

[15] Community responsibilities include hiring and paying temporary teachers, reviewing annual school performance, controlling school finance, managing school property and funds, mobilizing additional resources, distributing textbooks and scholarships, nominating teachers for training, drawing up school improvement plans. These tasks would be performed through the head master (BPEPII PAD, p. 60). The Village Development Committees were to manage primary schools but due to political events they did not function as envisaged.

[16] CERID 2006, p. 6.

[17] CERID 2006, DANIDA 2004, p. 56. The reports do not state the percentage of unfunded requests.

socioeconomic status. The effect may to some extent indicate teacher quality; teachers were involved heavily in formulating school improvement plans, and it is possible that the schools with more task-oriented teachers were able to plan better and also help students learn more. Also, school-level expenditures had a highly positive effect on examination score and promotion, although controlling for students' background reduced the magnitude of the effect. This finding suggests that community fundraising amounts may significantly contribute to learning outcomes. Thus better-off communities may give their students an advantage separate from management effects.

(b) Deliver more efficient and better quality basic and primary education services (modest)

3.8 The project included technical assistance to improve educational quality, and the donors provided additional technical assistance on quality and management issues from funds outside the donor basket. Project documents contain plans for many activities, such as teacher training seminars. However, the documents also suggest that international consultants did not know Nepalese and were unfamiliar with teachers' levels of knowledge and with the methods that could realistically be implemented in low-income schools. As a result, some of the plans were not carried out. There is limited evidence that learning in schools became more efficient over time. The most important components were:

3.9 *Textbooks.* The government established a policy of providing free textbooks to students at the beginning of the year. The project supported this policy with textbook development and distribution (Annex Table A-1). However, distribution faced delays of 2-9 months during the project. A lack of textbooks makes it hard for students to become fluent readers and obtain information from print, so timely distribution has been a priority item in the 2003 Country Assistance Strategy (CAS). Capacity to print and distribute has been limited, partly due to expanding enrolments. After the closure of BPEP II, the government established a pilot in the eastern region to print and distribute textbooks by the private sector. Distribution is improving but in 2008, only 58.4 percent of students got textbooks on the first week of classes.[18]

3.10 *Teacher training activities.* Only about 52 percent of teachers met training standards at the start of the project, and few of them had received pre-service training.[19] The project was to expand teacher professional support systems and improve teacher quality through instituting annual school-based teacher training, provide professional support to teachers in their classrooms, and expand a school cluster-based professional support system led by resource teachers. A 10-month teaching certification program was piloted, and thousands of teachers received training through short-term school-based events and training events and distance education (Table 3-1). However, training goals were unclear. The training events mainly relied on lectures, which are usually not

[18] Flash report 2008, Ministry of Education and Sports.

[19] World Bank 2001, p. 14. The Bank's Education III project had done much detailed work in teacher training and assessment, but BPEP did not continue it (World Bank 1992).

sufficient to modify teachers' classroom behaviors.[20] So, although teachers were considered trained and given certificates, they did not necessarily become better in instructing students. Data from a survey of 300 schools in 2007 showed that 43 percent of the teachers had no training at all. This finding contrasted with MoES data showing that 60 percent of the teachers were fully trained and 17.1 percent partially trained at the primary level (Annex Table B-5, Flash Report 2006).

Table 3-1: Changes in the numbers of teachers who received training in 1998-2002

Indicator	1998	1999	2000	2001	2002	2007
Number of teachers	91,878	99,382	97,879	96,659	110,173	141,605
% of teachers considered trained	46.5	44.5	51.8	n.a.	n.a.	65
% of teachers completing the 10-month certification program				14.7	16.23	
Number of female teachers	20682	23608	24770	24427	31549	43546
% of female teachers	22.5	23.8	25.3	25.3	28.64	31
% of trained female teachers	34.7	35.1	41	n.a.	n.a.	69
% of female teachers completing the 10-month certification program				12.2	13.49	
Student-teacher ratio	39	38	37	39.9	35.7	
Student to trained teacher ratio	84.1	85.5	71.5	271.6	219.7	

Source: DANIDA 2004, p. 47, Table 4.1; starting in 2001 only teachers completing the 10-month certification program were counted as trained; 2007 data are from the Flash report of the MOES.

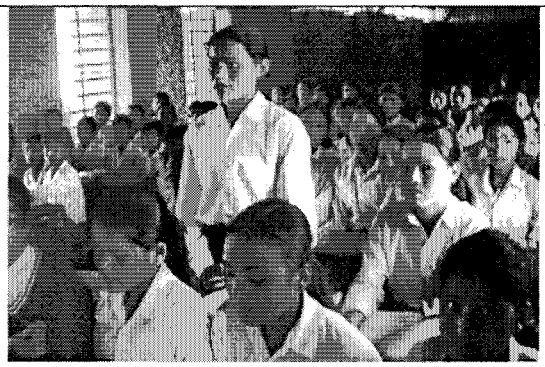
3.11 The government appointed resource persons in every district and expected that supervision would improve instructional quality. However, these staff had limited knowledge other than common teaching practices, had limited travel funds, and sometimes had to travel long distances (para.3.3). Thus they could not supervise schools effectively. Teachers reported to the IEG mission that even in Kathmandu resource teachers rarely visit schools. One issue has been teacher attendance; it has been reportedly intermittent, particularly in rural areas, whether they were affected by the Maoist insurgency or not. (DANIDA 2004). Unfortunately a reliable teacher absenteeism study has not been carried out in Nepal, therefore there is little reliable and comprehensive information available on this issue.

3.12 According to the PAD, changes in "teachers' performance" and "classroom practise" should be observable before and after the project. No baseline or follow-up classroom observation measures were available, but project effects should ideally be observable in terms of efficient instruction that would provide students with the necessary knowledge.

[20] DANIDA 2004 and BPEP ICR, p. 4. Teaching behaviors are influenced by watching others perform. Thus teachers may be more likely to teach more efficiently after audiovisual presentation of specific desirable behaviors and feedback (see Abadzi 2006, Chapter 13 for a review).

3.13 However, the classes visited by IEG had prominent instructional problems and showed little evidence of efforts to improve instructional quality. Buildings in poor rural areas had dark rooms and open transoms, from where the noise of one classroom disturbed all others. Students had textbooks, but there were no other instructional materials, such as maps. At least one teacher was absent in every school visited by the IEG mission, and that class was unattended. (In a large Kathmandu school, students covered for three absent teachers.) Teachers mainly lectured, using the blackboard, and asked students fact-related questions. Many teachers were observed to interact only with the first 3-4 rows of students while students behind them remained silent and potentially uninvolved.[21] The tendency to teach only those who could keep up started early. For example, teachers in grade 2 wrote fast on the blackboard and expected students to read handwriting while many students still could not identify all letters. The IEG mission did not observe any attempts to contemplate the meaning of texts, individually or in groups. Some of the students informally quizzed by the IEG mission read haltingly and showed no comprehension of the text. The limited and poorly structured information that students were acquiring in the schools visited is consistent with poor learning outcomes, particularly in items requiring comprehension (see following section).

Figure 3-1 and Figure 3-2: Teachers interacting mainly with students seated in the front rows



Worldwide teachers often engage in teaching only the few students who can keep up with the class material; the rest are uninvolved and at risk of dropout (Sultana 2006, Lockheed and Harris 2005).

3.14 Frequent classroom-level testing (*continuous assessment)* was to be an important instrument of quality assurance. However, it proved unworkable in the large class sizes of Nepal and remained a pilot (Oy 2002). An essential function for this subcomponent was workbooks that students would fill out and provide evidence that they had mastered various competencies. However these were not affordable and could not be produced on a large scale. Only certain NGOs used them (Figure 3.4).

[21] On materials, a study (New Era 2008) found that 81 percent of sampled schools had none on display.

Figures 3-3 and 3-4. Instructional activities

Rural preschool class: Limited attendance and practically no materials, so the benefits of the intervention were unclear

Workbooks for continuous assessment of students' progress were developed by an NGO (COPE) but were not adopted by the project.[22] Source: www.cope.org.np/

3.15 BPEP I financed the development of sample-based multiple-choice achievement tests in Nepal for grades 3-5, so there are performance scores predating BPEP II. Comparisons across time are not always possible, because of sampling and test equivalence; sampling methods differed, and different tests had not been equated. (Therefore, some may have been easier than others.) However, the percentages of items correct in each test consistently show very low student achievement levels.[23] Students in most cases answered fewer than half of the items correctly, and in math they scored at chance level in some years (about 25 percent). BPEP II established achievement targets of 75 percent, whereas the follow-on Education for All (EFA) project set at more modest targets of 60 percent. Nevertheless, learning outcomes failed by wide margins. Many students lacked the basic skills necessary for coping with the next level of education (Figure 3.5).

3.16 Did the primary education services raise learning achievement to assure quality of learning outcomes? As shown below the evidence points to modest outcomes.

3.17 The achievement tests of 1997, 1999 and 2003 in grades 3 and 5 were comparable and can show change in the same grade level across time. They show substantial progress in social studies but limited progress in math and Nepali. Grade 3 showed marginal improvement from a 1997 baseline, whereas grade 5 showed more marked improvement between 1999 and 2003; in grade 5 mean achievement in mathematics rose from 27 to 33 percent, in Nepali from 51 to 55 percent (Table 3-2). Most students had problems in responding to items that measured higher order thinking skills.

[22] Community-Owned Primary Education (COPE) was financed by Save the Children of Japan

[23] The overall achievement in English was 45 percent. About 40 percent of the students scored much below the national average, and about 17 of the schools sampled in 2003 averaged only 30 percent, which is little above response at chance level (EDSC 2003).

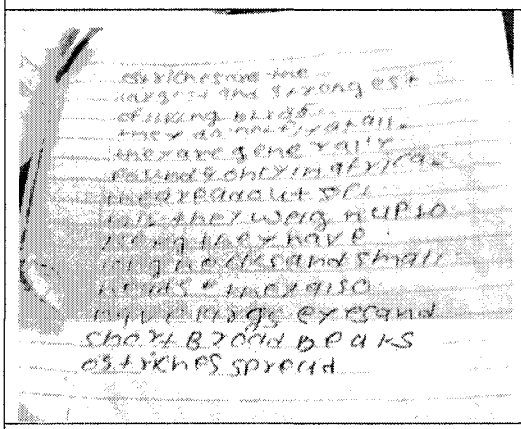
Table 3-2: Scores of various student achievement tests conducted in Nepal

Study	Year	Grade	Mathematics % correct	Nepali % correct	Social Studies % correct	
BPEP I	1998	4	28	47	42	
BPEP I	1998	5	27	52	36	
PEDP	1998	5	34	40	40	
EDSC	1997	3	44	46	50	
EDSC	2001	3	47	45	64	
EDSC	1999	5	27	52	42	
EDSC	2003	5	33	56	61	
					English	Science
CERID	1999	6	44	56.4	39.6	43.6
CERID	1999	8	28.9	68.8	29.6	34.3
CERID	2008	8	31.7	44.4	36.4	48

Source: EDSC 2003, 2008. These scores pertain to different tests that were not equated and are not directly comparable across years. PEDP was the Primary Education Development Project, and EDSC (Educational and Developmental Service Centre) was a company that conducted the testing.

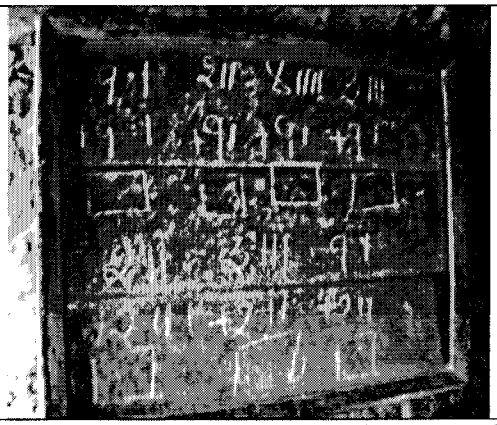
3.18 Achievement test score analyses showed that provision of pre-primary education, availability of textbooks for students and teachers, provision of desks, instructional materials, and electricity supply were significantly related to increased levels of learning achievement. Other significant factors were class size, building condition, monitoring by headmaster and resource persons, teachers' qualification, and teacher guides. Schools receiving financial support from various sources also performed better than those which had limited funds (EDSC 2003; CERID 2006, 2007a 2007b; para. 3.7). Other things being equal, schools that have better conditions with respect to these variables or receive greater financial support would be expected to have better-performing students.

Figure 3-5: A page copied by a 4th grader



English text with no word breaks suggests little knowledge of contents

Figure 3-6: First-grade math in grade 3

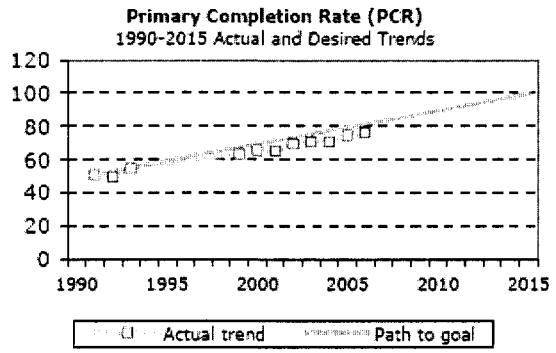


These simple additions suggest little mastery of math in grades 1 and 2 (Indian numbers are shown)

3.19 During BPEP II, the primary completion rate improved (Figure 3.7). MoES data show that it increased from 41 percent in 1998 to 54 percent in 2000, 59 percent in 2001,

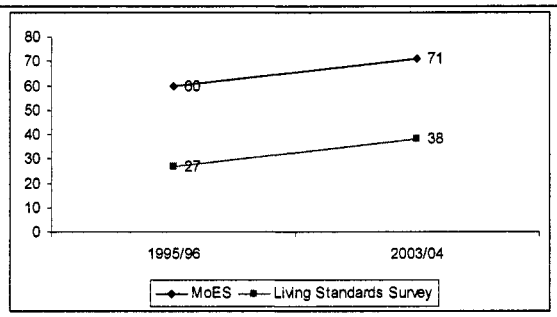
and 68 percent in 2004/05.[24] Given the low quality of instructional delivery, however, some of the increase may be due to the "liberal promotion" policy that the government introduced in 2003 at the suggestion of the Bank in grades 1-3.[25] Furthermore, data reliability has been an issue (para. 3.4), and schools may be over-reporting completion. The Nepal Living Standards Survey estimated completion rate to be only about 38 percent in 2003/04. It has risen from 27 percent found in 1995/96, but it is much lower than the Ministry data (Figure 3-8).

Figure 3-7: Primary completion rate as reported and projected by MoES



Source: World Bank Edstats 2008

Figure 3-8: Net Enrollment Rates as reported by the Ministry of Education and the Nepal Living Standards Survey



Source: World Bank 2007, p 64

(c) Increasing equitable access, especially for girls and underserved communities (substantial).

3.20 The project increased access to education overall as well as for girls and underserved communities, mainly through system expansion and community-level social mobilization. Establishing the magnitude of the effect, however, has been challenging. Due to data collection challenges (para. 3.4), the BPEP II PAD had no specific baseline or target monitoring indicators. The new management information system made it

[24] BPEP II ICR, p. 21; 2003 Poverty Reduction Strategy paper. However the baseline survey study of the Community Supported Schools Project (CSSP) showed in various tests similarly low mean percentage scores (in Mathematics were 13.9, 19.7, 24.8, 28.6 and 34.2 percent respectively and in Nepali 22.6, 34.7, 36.5, 41.1 and 46.8 percents respectively for grades 1-6). Some are chance-level scores, showing that many students were responding at random to these multiple-choice tests (New Era 2008). Therefore the level of skills upon primary school completion is uncertain.

[25] The introduction of the liberal promotion policy was delayed to 2003 amid concerns that this would artificially increase enrollments without increasing achievement. There was also a concern that monitoring data obtained in 2002-2006 could not be compared with subsequent data (CERID 2007). Some schools do not implement it, but others do. The IEG mission during its visits to hill schools was repeatedly told that students do not repeat grades. Research in other countries has shown that grade promotion which is uncorrelated with merit has a negligible impact on school continuation (King et al. 2008).

possible to get more extensive data, but some earlier estimates varied considerably and could not be reconciled. The net enrollment ratio appears to have increased from 70.5 percent in 1998 to 82.3 percent in 2002 and 84.2 percent in 2004). However, 8.3 percentage points of that increase happened in a single year, 1999 to 2000, when the net enrolment ratio was reportedly 80 percent (DANIDA 2004). The enrollment increase between 1999 and 2000 was unexplained because the project was not yet active.[26] One reason for the large increases may be funding incentives that encourage over-reporting of enrollments. This may be one reason why enrollments estimated through the Nepal Living Standards Surveys are considerably lower than those reported by MoES (World Bank 2007; Annex Table B-6; Figure 3-8). The survey found that the net primary completion rate rose from 56.8 percent in 1995/96 to 72.4 percent in 2003/04.

3.21 Many students may enroll and fail to attend (BPEP II ICR p. 8). Classes visited by the IEG mission in rural areas had on average about 20 percent student absenteeism (Figures 3-9 and 3-10). Teachers and two school management committee chairmen interviewed by the IEG mission professed inability to bring to school every day the very poor and also expressed frustration because due to irregular attendance, children could not keep up with the class. Thus, some of the poorest students may enroll but not substantially benefit from schooling access.

3.22 Attendance issues may be one reason why dropout and repetition rates were high during BPEP II. Only 21 percent of children starting grade 1 in 2002 completed grade 5, and 51 percent dropped out. Retention improved during the project;[27] the promotion rate of the first-grade cohort in 2005 is 64 percent compared to 51 percent of the 2002 cohort (Chitrakar, CERID 2007; Annex Table B-1). However, most students also leave during the first and second year of their entry into primary education, and it is uncertain whether they study elsewhere or remain illiterate. In recent years boys seem to drop out more often than girls (53.3 vs. 48.5 percent; CERID 2007). Reductions in the dropout and repetition rates may be due to the liberal promotion policy rather than improved performance or attendance.

[26] At the end of BPEP I, the gross enrollment ratio had reportedly increased from 106% (83% girls) in 1991 to 122% (104% girls) in 1997 (BPEP I ICR). These estimates may have been too high. The BPEP II PAD shows primary net enrollment rate as 69 and the gross enrollment rate as 117. The 2001 sector study (p. 3) showed gross enrolment rate as 100 percent. Net enrolment rates depend on schools knowing children's exact ages, but without birth certificates exact ages may not be known. Malnourished children may look smaller than their age; also according to the BPEP II PAD (p. 38), 15 percent of children were underage, and only 29 percent of the grade I students are found of correct age i.e. between 5 and 6 years of age in 2006 (TRSE report).

[27] Project files show that in 2000 Norwegian consultants estimated dropout at 10.8 percent and repetition rates at 64.9 percent. However, MoES data showed that repetition ranged from about 40 percent in grade 1 to about 14 percent in grade 5 (in 1998) and that it was reduced to about 9 percent in 2001 (DANIDA 2004). CERID 2007 computed an average repetition rate of 16 percent for the 2002 cohort in a national sample of 62 schools. It ranged from 39 percent in grade 1 of the 2002 cohort to 12 percent in grade 5.

Figure 3-9: Student absenteeism

Sparse but impossible attendance: Over 80 students enrolled in a class seating about 50

Figure 3-10: Student absenteeism

A half-empty rural classroom that should have been full given the number of students enrolled

3.23 *Increasing access for girls.* Data available from MOES and the joint donor evaluation suggest that both boys and girls gained in enrollment, but the magnitude of the project impact on girls' relative to boys' enrollment is unclear (Annex Table B-4). Gender parity has fluctuated and hides the fact that boys are often sent to private schools, while girls are sent to public schools. Half the girls in poor schools were expected to receive scholarships of Rs. 250 (about US$5 annually), but these were often cut in half and distributed to all girls, so financially the amounts were too small to have an impact.[28] More research would be needed to understand what the effects of scholarships would be, if any. Also, the target of increasing the numbers of primary-level female teachers to 50 percent was not achieved. Women constituted about 28 percent of teachers at project end (Table 3.1). Overall, women constitute about 43 percent of primary school teachers in Nepal (Bista 2006).

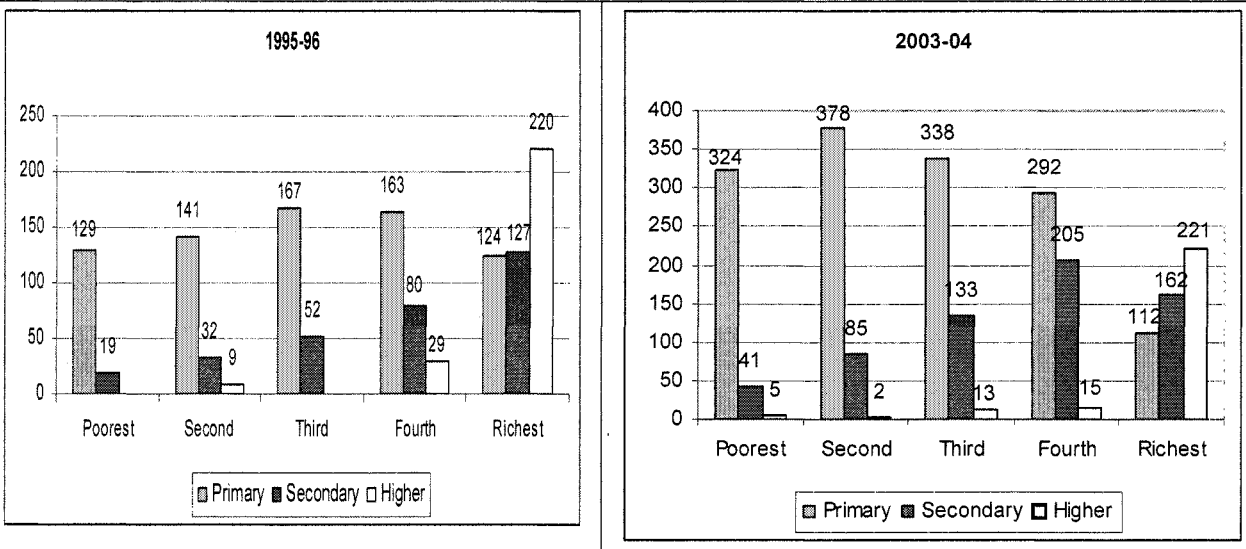
3.24 *Increasing access for traditionally excluded groups.* The project succeeded in reaching the poorer segments of the population. Over time, primary education expenditures were targeted towards the poorest segments of the population and away from the richer segments (Figure 3-11), and health surveys showed improved enrollments by the poor (Johnson and Bradley 2008, Figures 2-7, 2-8, and Table 2-2, p. 9-11). Dalits and certain ethnic groups benefited from better access to schooling over time. The share of these in the enrollment of 2005-6 approximated the population composition. Students were 17.7 percent dalit, 38 percent janjati, and 44.3 percent others (data from MoES management information system). According to the BPEP II ICR (p. 20) the overall number of disadvantaged children completing grade 5 grew by 24 percent while the number of disadvantaged girls increased by 25 percent.[29] Nevertheless, the lowest castes

[28] The amount could buy one dress or one school bag (DANIDA 2004, p. 54). A UNESCO study found several scholarship schemes that overall reached their intended beneficiaries, but many needy children remained unserved; this was partly due to a lack of communication to beneficiaries about the programs (Acharya and Luitel 2006). A baseline study (New Era 2008) found that scholarships were often distributed according to teachers' discretion or used to buy other items. Overall, the study found that less than 1 percent of children 5-16 years got a scholarship. According to behavioral research, token payments are remembered and may create attitude change (e.g. Nielson and Bryant 2000) but the duration and magnitude of effect were not researched. African research suggests that targeting of the poorest may miss a lot of people and implies that in a given area all poor should be targeted (Wahenga.net 2008).

[29] Overall survival to grade 5 increased from 49.7 percent in 1999 to 71 percent in 2005.

and excluded ethnicities (some of whom are poor) tend to have somewhat lower pass rates than the general population (Annex Table B-6). Conflicting reports were received regarding the scholarship amounts given to socially excluded groups (footnote of para. 3.23), so the effectiveness of scholarships as a means to improve equitable access is unclear.

Figure 3-11: Benefit incidence of education expenditures by schooling level in Nepal (millions of current Nepali Rupees)



Source: World Bank 2007

3.25 As specified in the PAD (p. 58), BPEP II developed models to expand access to early childhood education programs. By the end of 2006 a total number of 16,523 centers had been established and were fully functioning, with a target of 74,000 centres fully functioning by 2015. [30] One study (CERID 2007) found that overall only 16.6 percent of sampled preschool students attended (Figures 3-3). However, MoES data show 40 percent gross enrollment at the preschool level. Attendance matters a lot because the same study found that first graders with preschool experience were promoted more than those without. For both boys and girls there was a 10 percent advantage in survival to grade 5. Preschools are mainly available in the Kathmandu valley, are used by better off families, and availability interacts with socioeconomic variables.

4. Ratings of the Basic And Primary Education Project

Project Outcomes

4.1 *Basic and Primary Education Project II.* Overall, BPEP II is rated **moderately satisfactory**. Project relevance is rated **substantial**, given the high relevance of objectives and a substantial relevance of design (paras. 2.3 and 2.4). Overall, efficacy is rated **substantial**. The project made much progress in improving access to education for girls and marginalized communities and improved management capacity at the central,

[30] MOES Annual Strategic Implementation Plan 2007

district, and local levels. Communities received help to implement plans, and despite some shortcomings, plans were substantially implemented. Despite many efforts, quality of education lagged behind, and important instructional problems were not resolved; achievement tests showed limited progress. Efficiency is rated **modest**. According to the joint evaluation of the project (DANIDA 2004), procedures for allocating and distributing financial resources to the district and local level increased transparency and efficiency, improving the rates of budget utilization, despite some delays. The functional management information system made it possible to allocate resources on the basis of known school-level needs. The decentralization of the budget to districts brought the funds closer to the schools that needed it and made district-level decisions possible. Nevertheless, quantitative evidence has been hard to obtain.

Risk to Development Outcome

4.2 For BPEP II, the risk to development outcome is rated **moderate**. The program is dependent on a high level of donor financing (around 22 percent of overall sector funding in FY03), covering all but the recurrent costs of the basic and primary education system. However, the government and donors have strongly supported primary education through follow-on operations, and funding for the medium-term is assured. The sustainability of the strategy is enhanced by the government's commitment and increasingly active role in coordinating donors. The implementation of this project was mainstreamed into the MoES structures and was implemented directly by government staff.

Bank Performance

4.3 Bank performance of BPEP II is rated **satisfactory**. Quality at entry is rated **moderately unsatisfactory**. The project was overly complex and its structure later had to be simplified (para. 2.6). The appraisal dealt extensively with various administrative issues but gave insufficient attention to instructional delivery and learning. However, quality of supervision is rated **highly satisfactory**. A QAG review found the project exemplary in terms of the timely identification of implementation problems, technical assistance, appropriateness of advice, proposed solutions to the borrower, speed of follow-up actions supervision of fiduciary aspects, and skills mix of staff. During supervision, the Bank focused on improving donor coordination, simplified implementation arrangements, and supported the capacity of the Department of Education.

Borrower Performance

4.4 Borrower performance for BPEP II is rated **satisfactory.** The government initially did not respond quickly, and did not establish the organizational structure or staffing of the Department of Education during appraisal. However, the government dealt with most aspects of this complex project effectively. It regularly provided counterpart funds and promulgated needed policies, including the Seventh Amendment to the Education Act that empowered schools and communities to manage the provision of education. Government performance is rated satisfactory.

4.5 The performance of the implementing agency is also rated **satisfactory**. The Department of Education became proactive in donor coordination and program design and implemented the project relatively efficiently (DANIDA 2004). It restructured the project to simplify its component, program, simplified the number of accounts and fund flow mechanisms, and paid much attention to the monitoring system. Despite lack of implementation experience, all 75 districts of Nepal prepared five-year plans, annual budgets, and agreed monitoring indicators within 18 months of effectiveness. Financial management and procurement staff at the department of education were efficient and able to deal with complexity. Payments were made through the established control system of the government. Audit reports were received on time and showed no problems (ICR p. 19).

Monitoring and Evaluation Design, Implementation, and Utilization

4.6 Monitoring and evaluation are rated *satisfactory.* The PAD envisaged a sophisticated monitoring design, which was largely carried out. Despite early challenges, the data collection challenges were largely overcome with time. Nevertheless, because the PAD had few monitoring indicators, it became difficult to evaluate progress in access and in equity. Despite the civil war, many monitoring activities took place. Utilization is also satisfactory; MoES collects data on 18 outcome indicators, and the Flash reports are used extensively for decision-making by the government and the donor community. (During the project data were collected once a year, but during the follow-on project twice-yearly data collection started.) However, school-level inaccuracies and incentives to over-report enrollments may result in significant distortions, and reports may show values that are much higher than other data sources (New Era 2008, World Bank 2008). This issue deserves more study, particularly in relationship to the fact that in SWAps governments generate the data and donors finance projects according to these data.

4.7 To verify the information being obtained, a Technical Review of School Education (TRSE 2003-2006) started in the last year of BPEP through DANIDA financing. It tracked the data of about 1,000 schools and over time made suggestions on improvement. It was discontinued after the differences between data obtained by the donors and by the government became significantly reduced (para. 3.4). The reports, instruments, and data are available at http://www.trse.edu.np.

5. Lessons

5.1 This assessment provides a number of lessons for the education sector:

- Government commitment and donor financing can be effective in increasing access for the poor and disadvantaged children in low-income countries. Decentralization of management to district levels may help attain this goal if budgetary outlays are also decentralized (para.3.7). To improve learning outcomes, however, attention must be given to instructional aids and the learning conditions of classrooms (paras. 3.12-3.18).

- Scholarships targeting the very poor or disadvantaged may not always be distributed as expected, particularly when criteria are unclear and decisions are left up to local school authorities (para.3.24). Small scholarship amounts may also have limited practical value. More research is needed to understand the value of small scholarships as an incentive for the very poor.

- Collection of reliable data is crucial to donor and government activities. However, local-level inaccuracies and incentives to over-report enrollments may result in significant statistical distortions. Triangulation of data from other sources may be needed to arrive at estimates that approximate true values (para. 4.6).

REFERENCES

Abadzi, H. 2003. Adult Literacy Outcomes. Washington, DC. World Bank

Abadzi, H. 2006. Efficient Learning for the Poor. Washington DC: World Bank.

Acharya, Sushan and Bal Chandra Luitel. 2006. Functioning and Effectiveness of Scholarship and Incentive Schemes. UNESCO Kathmandu Series of Monographs and Working Papers no. 9.

Adhikari, Prakash Singh. 2007. Analysis: Danish Aid for Education and Civil Society Involvement in Nepal. Unpublished report submitted to DANIDA.

Aryal, Mohan Prasad. 2005. Higher and higher secondary education in Nepal – Institutions, Enrollment, Financing and Performances. Final report, June. Ministry of Education, Kathmandu.

Asian Development Bank. 2004. Nepal Education Sector Policy and Strategy. ADB TA 4326. September.

Asian Development Bank. 2008. Community Driven Development. Nepal: Country Profile. Kathmandu.

Bayne, Sarah. 2005. Background paper and analytical framework for a conflict assessment of the Education for All Programme in Nepal. International Alert.

Banerjee, Abhijit V., Rukmini Banerji, Esther Duflo, Rachel Glennerster, Stuti Khemani; Pitfalls of participatory programs: Evidence from a randomized evaluation in education in India. Impact Evaluation series; no. IE 21 Policy Research Working Paper WPS 4584.

Bista, Min Bahadur. 2006. Status of Female Teachers in Nepal. UNESCO.

Bista, Min Bahadur and Stephen Carney. 2004, 2006. Reforming the Ministry to Improve Education: An Institutional Analysis of the Ministry of Education and Sports (MoES) of Nepal (ED499633) International Institute for Educational Planning (IIEP), UNESCO.

Bransford, John and Daniel Schwartz. 2001. Rethinking transfer: A simple proposal with multiple implications. In A. Iran-Nejad and P.D. Pearson: Review of Research in Education, Chapter 3, vol. 24, p 61-100. American Educational Research Association.

CERID. 2006. Education for All Formative Research Report. Synthesis Report of the case studies conducted in 2006. Tribhuvan University. Research Centre for Educational Innovation and Development (CERID).

CERID. 2007a. Education for All Formative Research Report. Longitudinal Study on System Indicators: Cohort analysis. Tribhuvan University. Research Centre for Educational Innovation and development (CERID).

CERID 2007b. Understanding School Autonomy: A Study on Enabling Conditions for School Effectiveness. Education for All 2009-2014 Formative Research Project,

Report no. 14. Kathmandu, Tribhuvan University. Research Centre for Educational Innovation and development (CERID).

Community Learning Center (CLC). 2005. Educational Needs of Internally Displaced Persons living in Western Kathmandu. Survey Report prepared for UNICEF.

CPReC Kendra. 2064 (2007). Samudayak Vidyalaya Vyavasthapan Sachetna. Hate Pustaka 101. Kanthmandu, Nepal.

DANIDA. 2004/3. Nepal: Evaluation – Joint Government-Donor Evaluation of Basic and Primary Education Programme II. Ministry of Foreign Affairs.

EDSC. 2003. National Assessment of Grade 5 Students. Educational and Developmental Service Centre for the Ministry of Education and Sports.

EDSC. 2008. National Assessment of Grade 8 Students. Educational and Developmental Service Center of the Ministry of Education and Sports.

FHD and RIDA. 2009. Improving local service delivery for MDGs in Asia: Country case study. Foundation for Human Development (FHD) and Research Inputs and Development Action (RIDA)

Gurung, H. (2002). "Janagadana 2001 Anusar Jatiya Tyathanka, Prarambhik Lekhajokha" (Based on 2001 Census, Preliminary Investigation on the Number of Caste/Ethnic Groups). Kathmandu: Dharmodaya Sabha.

Herz, Barbara. 2006. Girls too! Educating girls in South Asia: Promising Approaches. The Education Debate. UNGEI, March 2006.

Johnson, K. and S.E.K. Bradley. 2008. Trends in Economic Differentials in Population and Health Outcomes: Further Analysis of the 2006 Nepal Demographic and Health Survey. Calverton, Maryland, USA: Macro International Inc.

Khaniya, T. R. 2004. Transfer of School Management to Community. Ministry of Education.

Khaniya, Tirth Raj, Mana Prasad Wagley, Pramila Rajbhandari, Dr Bijaya Kumar Thapa, Shekhar Dhungana. 1999. National Assessment of Grade 5 Students. Educational and Developmental Service Centre (EDSC).

Khaniya, Tirth Raj. 2007. New Horizons in Education in Nepal. Office Support Service Center, Kathmandu.

Khaniya, Tirth Raj. 2008, October 23. Reform in Higher Education. Key stakeholders should be kept informed about the World Bank-funded Higher Education Project. Kathmandu Post.

King, Elizabeth M., Peter F. Orazem, and Elizabeth M. Paterno. 2008. Promotion with and without Learning: Effects on Student Enrollment and Dropout Behavior. World Bank Policy Working Paper Series, WPS 4722.

Lockheed, M., and A. Harris. 2005. "Beneath Education Production Functions: The Case of Primary Education in Jamaica." Peabody Journal of Education 80(1): 6–28.

Mathieu, Alexandra. March 2006. Reaching Girls in South Asia: Differentiated Needs and Responses in Emergencies. UNGEI, March 2006.

Mikhail Samih. May 2008. The Alternative Tertiary Education Sector: More than non-University Education. World Bank. Education Working Paper Series no. 10.

MoES. 2007. Education for All: Mid-Decade Assessment. Kathmandu.

MoES. 2007b. Annual Strategic Implementation Plan (ASIP) 2007-2008.

MoES. School Level Educational Statistics of Nepal. Consolidated Report 2005 (2062), 2006 (Flash Reports).

MoES, 2006. Household Survey of Service Areas of Community Managed Schools. Department of Education.

MoES. Nepal Education Sector Development Policy and Strategy. Interim Report II. September-December 2004.

Nepal, Kishore. 2005. Under the Shadow of Violence. Kathmandu: CJPS.

NORAD 2009. Joint Evaluation of Nepal's Education for All 2004-2009 Sector Programme. Evaluation Report 1/2009.

OED. 2004. "Books, Buildings, and Learning Outcomes. An Impact Evaluation of World Bank Support to Basic Education in Ghana." Washington, DC: World Bank: Independent Evaluation Group.

OED. 2001. Performance Audit Reports: Hill Community Forestry Project (Credit 2028-NEP), Second Forestry Project (Credit 1400-NEP). Washington, DC: World Bank: Independent Evaluation Group, Report No 22438

Oy, Opifer. 2000. Finnish support to the basic and primary education subsector development programme (BPEP II) in Nepal. Technical assistance inception report.

Reinikka, Ritva and Nathanael Smith. 2004. Public expenditure tracking surveys in education. UNESCO-IIEP.

Shrestha, Gajendra Man, Ganga Ram Gautam, and Saloni Singh. 2002. SIP – Based Development Programme: A status statement. Paper submitted to the EC Education Coordination Office and World Bank/ Nepal. Kathmandu.

Sultana, Ronald. 2006. Facing the hidden dropout challenge in Albania. Tirana: UNICEF.

TRSE. 2003-2006. Technical Review of School Education Asian Development Bank.

UNESCO. 2006. A 10-year year literacy/NFE Policy and Programme Framework. UNESCO. Kathmandu Office. Jawalkhel, Lalitpur Kathmandu 977-1-5554396 / 769.

UNESCO. 2006. Activities in Nepal. Biennium Report. 2004-2005. Education Culture Communication and Information Sciences.

World Bank.1992. Project Completion Report. Primary Education Project III.

World Bank. 2003. A Country Assistance Strategy for the Kingdom of Nepal. Report No. 26509-NEP

World Bank. 2001. Nepal: Priorities and Strategies for Education Reform. Report no. 22065-NEP.

World Bank. 2002. Country assistance strategy progress report. Report No. 24170-NEP

World Bank. 2006. Community Managed Schools in Nepal: A trend in school reform. (final report in December 2007).

World Bank. 2006. First Poverty Reduction Support Credit. Implementation Completion Report. Report No. 35462

World Bank. 2007. Attaining the Health and Education Millennium Development Goals in Nepal South Asia: Human Development Sector, Report No 12.

World Bank, 2007a. Managing public finances for a new Nepal. Report No. 43384-NP

World Bank, 2007b. Nepal: Project Paper on a Proposed Additional Financing (Grant) in the Amount of US$60 million equivalent for the Education for All Project. Washington DC, no. 41346-NP.

World Bank. 2008. South Asia Region: Ending Poverty in a Region of Growing Contrasts. Regional Briefing, South Asia Vice-Presidency. SecM2008-0232 May 29, 2008.

World Bank. 2009. Implementation Completion and Results Report. Nepal: Community School Support Project, Report No: ICR00001025, March 23.

World Food Programme. World Food Programme. 2006. Small Area Estimation of Poverty, Caloric Intake, and Malnutrition in Nepal. [reports on CBS household survey]. National Planning Commission Secretariat, Bureau of Statistics.

Yadav, Ram Prakash. 2008. Relation between Literacy and Poverty. Poverty Outlook. PAF.

Annex A. Implementation of project components

Table A-1: Basic and Primary Education II Project (Cr. 3185)

Components/ subcomponents	*Activities*	*Targets to be achieved*	*Outputs*	*Outcomes Info obtained during mission*
(a) ***Strengthening institutional capacity***	Reorganize MOE dependencies, strengthen monitoring capacity in the newly created Department of Education; Merge project units to the central institution	Strengthen Curriculum Development Center, Non-Formal Education Center, Distance Education Center, and National Center for Education Development	Limited institutional strengthening; Multiple departments were merged, earlier overlap and duplication reduced; civil works and equipment for district offices and resource centers in 30 districts	The Department of Education has developed collaborative structures within the Ministry and is better able to respond to instructional needs
	Allocate teachers based on student-teacher ratios, discourage teacher transfers from rural schools to urban areas	No. of permanent primary teachers to remain at 1998 ceiling, i.e. about 83,000 50% of new teachers female	Teacher inventory completed; Teachers funded thru block grants to schools; committee consent required for teacher transfers; female teachers were less than 50% District officers posted in an 'acting' capacity may be transferred.	Limits on permanent teacher numbers have remained, but as enrollment increased, large deficits of teachers emerged, and numbers increased to more than 103,000. Many are paid lower salaries through temporary and community sources
	Provide staff training to strengthen the MOE technical support functions Create 10-month mandatory pre-service teacher training	All teachers to receive 10 days training per year, including on methods appropriate to increasing learning in grades 1-3 and in multigrade teaching in small schools "learner centered" approaches Distance education broadcasts	Numbers of teachers trained are unclear; reportedly 80% received training of 180 hours or 10 months Mobile units were established to continue training during the insurgency, programs merged after project end Broadcasts too short, stations hard to tune in	Negligible impact As numbers increased, percentage of "trained" teachers became uncertain. Teacher absenteeism, continuing lack of accountability to parents remained significant.
	Train staff of eligible districts for technical and management capacities to implement in-service-training based on clusters and whole school development approaches, to monitor school performance	Develop basic education subcommittee in each district Develop district plans and budgets	Plans and budgets were developed on an annual basis but were partly carried out due to a lack of funds.	Annual budget planning has been sustained Training effects limited due to methods and content that were not well calibrated for the audience (DANIDA 2004).
	Prepare manuals and formats for development of policy-based implementation plans and budget proposals by national institutions and district primary education teams;	Establish criteria and mechanisms for school improvement planning, give technical support to districts for their implementation and gradually incorporate these into the district planning process. 800 school improvement plans	About 2500 schools were to develop improvement plans by 2004 About 6000 school improvement plans developed	Many community-level plans were not realistic. They were mainly focused on infrastructure Inputs were to be entered on a Ministry form that was too complex for communities, so teachers did much of the work.
		Inspect, supervise schools	Schools rarely inspected (less than once a year) and inspection criteria are unclear	There are no safeguards to improve quality of education. Most school management committees cannot supervise classrooms (CERID 2006)
	Develop information systems and professional skills to manage and supervise a decentralized school system	Initiate and provide technical support for a district planning process starting in 12 districts and expanding up to 30 during the project	All 75 districts developed plans, budgets, and agreed monitoring indicators	Program focused on districts with less than 100% gross enrollment ratio, 60% for girls

Components/ subcomponents	Activities	Targets to be achieved	Outputs	Outcomes Info obtained during mission
	"Liberal" promotion in grades 1-3, dependent on continuous assessments, increase retention of students to grade 5. Those failing to achieve objectives would receive more opportunities in subsequent years (p. 59)	Improve quality at grades 1-3, developing monitoring criteria for teachers	Policy delayed to 2004 Primary completion rate increased from 41% in 1998 to 54% in 2000 and to 59% in 2001 25% increase in disadvantaged girls completing grade 5; "more" dalit children attending school	Nonperforming and absent students are promoted without remediation opportunities. Many areas practicing liberal promotion and some schools do not fail students until they take the grade 10 school leaving examinations.
	Organize school management committees	All schools to be managed by elected committees	Management committees constituted in schools, but the extent to which they were elected rather than appointed was uncertain	The extent and timetable of school management committees was uncertain Activity level of committees uncertain
	Train head teachers, school management committees and village education committees in school improvement planning.	Increase participation of village education committees and school management committees in actions to raise school performance	Village education committees had limited interest (appointed by King, term expired in 2002), but school management committees became active in many areas	Management committees generally able to monitor civil works but not quality of education
		Obtain EMIS data disaggregated by district, sub district, target groups	Flash reports 50% incorrect	Despite inaccuracies, it finally became possible to obtain country-wide data These are used in decision-making
	Conduct policy research, evaluation and monitoring	Periodic national assessments in basic skills at grades 3 and 5 in 1998-99 and 2002	Tests in 1999, 2003 Achievement target 75% Math from 27% to 33% Nepali from 51% to 55% Social studies from 42% to 61%	Test results available and often referred to in decision-making Impact substantial according to staff interviewed by the IEG mission
	Studies for the preparation of future projects	A private and English-medium schools study was conducted	Outcomes and dissemination were limited	No apparent impact
(b) *Raising learning achievement*	Curriculum review in the context of small, multi-grade schools as well as single classes of grades 1-3	Limited review	No separate curriculum exists for multi-grade schools	Interviews suggest that few multi-grade students are able to perform according to the standard curriculum
	Development of innovative methods and materials	Methods for local languages, multi-grade teaching, and continuous assessment techniques	Limited work was produced in these areas	Local languages are rarely used in instruction, as are continuous assessment techniques
	Expand and improve teacher education through regular school- based training; by strengthening the resource center professional support system; and by piloting a Pre-service teacher training certificate program.	Resource centers to be instituted for technical support to school clusters. BPEP subcommittees constituted in every district.	Radio programs in 7 languages for teachers and students broadcast from Radio Nepal Development of teacher training multilingual materials	Demand by communities has been limited in the regions visited by IEG
	Develop more efficient textbook distribution system Provide essential books and materials to schools and additional facilities based on school improvement plans		The Government has opened to the private sector printing and distribution of grade all primary textbooks in the Eastern Region after the successful trial for grade 5.	Privatization pilot active Textbooks still arrive late in schools
	Optional minority language textbooks	Textbooks prepared in 12 local languages	Minority language textbooks rarely if ever used	No effects on student learning

Components/ subcomponents	Activities	Targets to be achieved	Outputs	Outcomes Info obtained during mission
	Free textbooks to all children in grades 1 to 3, and to girls and children in the poorest districts at grades 4 and 5	100% arriving on day of school opening	Textbooks apparently are free but arrive at schools late by several weeks or months	The loss of learning due to late arrival of textbooks has not been assessed.
(c) Increasing equitable access	Increase enrollments	Enroll all eligible children	Primary completion rate increased from 41% in 1998 to 54% in 2000 and to 59% in 2001 Living standards survey shows much lower enrollment	25% increase in disadvantaged girls completing grade 5; "more" dalit children attending school
	(i) expand early childhood development as part of school and village planning where there are many underage age children in grade 1	Plan to create 70,000 ECD centers over time	ECD classes established in many areas but mainly limited to the Kathmandu valley and better off areas Attendance observed by IEG mission was low	With limited attendance, the expected benefit for poorer children is unclear
	Provide scholarships to needy girls	Rs. 250 scholarships provided to half the girls in a school	Scholarships often distributed to all Share of girls in enrollments rose from 42.6% to 46.3%	Value of scholarships too low to have an impact. Limited attendance of many students despite enrollment
	Provide inclusive schooling programs for children with special needs;	4500 children to be enrolled	Number was small,, unclear from database; Braille texts unavailable after grade 3	Orthopedically handicapped students often included, but mental and visual handicaps difficult to handle
	Improve the stock of classrooms based on approved district education plans and community mobilization programs.	Build 3000 classrooms Upgrade 6000 based on facilities survey Communities to provide 25% of costs	Target increased to 10,800 classrooms repaired and 5412 constructed Contribution target met	Monitoring data not always reliable Many areas continued to have classroom limitations; poorer areas had schools in poorer condition than better off areas.
	Community mobilization programs and literacy (p. 30) based on village readiness model (BPEP I)		No outcomes	Lack of priority by the ministry
	Maintenance manuals	15,000 to be distributed to schools 2000 village development committee technicians and 820 overseers to be trained in maintenance		Maintenance manuals were not found in the schools visited

Source: Project documents and information obtained during the PPAR mission

Annex B. Supplementary Tables

Annex B Table 1. Promotion flow of first grade new enrollees by cohort

Cohort Year	Students	Grade 1 new intake	Grade 2 in year 2	Grade 3 in year 3	Grade 4 in year 4	Grade 5 in year 5
2002	Total	2589	1327(51.3)	819(31.6)	657 (25.4)	544 (21.0)
	Girls	1318	702 (53.3)	449 (34.1)	364 (27.6)	296 (22.5)
2003	Total	2260	957 (42.3)	724 (32.0)	644 (28.8)	
	Girls	1136	481 (42.3)	364 (32.0)	327 (28.5)	
2004	Total	2702	1375 (50.9)	1116 (41.3)		
	Girls	1375	730 (53.1)	597 (43.4)		
2005	Total	3653	2341 (64.0)			
	Girls	1885	1221 (64.8)			
2006	Total	2674				
	Girls	1328				

Figures within parentheses are percentages compared with the base year enrollment.

Annex B Table 2. Repetition flow of 2589 first grade new enrollees of 2002 through the first 5-year

Year	Students	Grade 1	Grade 2	Grade 3	Grade 4	Total Repeater
2003	Total	729 (28.2)				729 (28.2)
	Girls	373 (28.3)				373 (28.3)
2004	Total	135 (6.0)	173 (7.7)			308 (11.9)
	Girls	70 (6.2)	95 (8.4)			165 (12.5)
2005	Total	42 (1.6)	77 (2.8)	94 (3.5)		213 (8.2)
	Girls	17 (1.2)	36 (2.6)	51 (3.7)		104 (7.9)
2006	Total	5 (0.1)	25 (0.7)	57 (1.7)	65 (2.0)	152 (5.9)
	Girls	1 (0.1)	12 (0.7)	32 (2.0)	35 (2.2)	80 (6.1)
Overall	Total	911 (35.2)	275 (10.6)	151 (5.8)	65 (2.0)	1402(54.2)
	Girls	461 (35.0)	143 (10.8)	83 (6.3)	35 (2.0)	722 (54.8)

Figures within parentheses are percentages compared with the base year enrollment which is 2589.

Annex B Table 3: Distribution of Schools having Formed Management and Other Supportive Bodies

School Bodies	Distribution in Percentage				
	Eastern Hills (N=66)	Eastern Terai (N=42)	Western Hill (N=70)	Western Terai (N=42)	Total (N=220)
School Management Committee	100.0	76.2	100.0	100.0	95.5
Monitoring Committee	28.8	14.3	20.0	16.7	20.9
Parent-Teacher Association	80.3	45.2	85.7	97.6	78.6
Parent Assembly (possibly generic use)	93.9	88.1	98.6	100.0	95.5

Annex B Table 4:

Indicators	1990	1995	1998	1999	2000	2001	2002	2003	2004	2005	2006	2008
Gross enrollment rate of early childhood/preschool					13	12.8	19.8	19.9	39.4	20		
Percentage of new entrants at grade 1 with preschool						7.8	9.6	13.7	10.9	30		
Gross intake rate at grade 1				132	129	105.6	114	110.69	113.18	109.94	150.16	
Net intake at grade 1							74	76.1		67		
Gross enrolment rate – primary	113	109	123.9	127.7	119.8	124.7	118.4	126.7	130	110	126.1	
Net enrolment rate – primary			70.5	72	80.4	81.1	82.4	83.5	84.2	88		91.9
Net enrolment rate – secondary				34	35.3	38.3	42	42.8		45.7	43.2	
Gross enrolment ratio, tertiary, total		5	-	-	4	4	5	5	6			
Percentage of gross national product channelled to primary				1.5	1.7	2	2.1	2.2	2.3	1.9		
Percentage of total education budget channelled to primary			48.7	55.1	58.4	55.8	59	63.5	61.8	60		
Student-teacher ratio			39	38	37	39.9	35.7	35.8	39.7	34		33.6
Percentage of repeaters (%), primary	-	-		23	25	24	22	22	22	23		n/a
Survival to grade 5				49.7	63.1	65.6	67.6	60	76.2	71		73.4
Dropout rate – primary total				42	54.17	22.23	35.13	32.92	39.25	21.48		
Primary completion rate				63.2	65.6	65.2	69.6	70.6	71	74.7	76	
Percentage of repeaters (%), secondary			11	9	8	9	12	-	-	-		
Gender Gap				16.7	17.1	12.7	13.2	11.5	11.6	10.1	7.3	
Ratio of boys and girls in education	0.6	0.7	0.77	0.81	0.87	0.86	0.86	0.85	.	0.9	0.9	
Gross national income per capita	200	200			200						320	
Primary education, teachers				91,878	88,702	97,879	96,659	110,173	112,360	101,483	113,385	143,574

Sources: MoES and Edstats (World Bank); various series integrated in this table

Annex B Table 5: Distribution of Teachers by their Qualification in Teacher Education (in %)

Level of Teacher Education Acquired	Regions				
	Eastern Hill (N=298)	Eastern Terai (N=222)	Western Hill (N=305)	Western Terai (N=236)	Total (N=1,061)
None	51.0	44.6	42.0	51.7	47.2
Basic teaching certificate	44.3	54.1	58.0	47.9	51.1
I. Ed.	3.0	0.9	0.0	0.4	1.1
B. Ed.	1.7	0.5	0.0	0.0	0.6
M. Ed	0.0	0.0	0.0	0.0	0.0

Source: New Era 2008. Figures within the parenthesis are the percentage score.

Annex B Table 6: Enrollment ratios as estimated through the Nepal Living Standards Survey

	NLSS I (1995/96)			NLSS II (2003/2004)		
	Boys	Girls	Total	Boys	Girls	Total
Gross enrollment						
Primary	108.4	79.9	94.3	122.7	101.8	112.3
Lower Secondary	61.9	44.1	53.6	73.8	67.2	70.7
Secondary	58.6	29.2	43.4	61.9	46.2	54.1
Upper Secondary	24.0	10.3	16.9	38.9	28.0	33.5
University	4.9	0.7	2.6	8.3	2.7	5.0
Net enrollment						
Primary	66.8	46.5	56.8	77.9	66.9	72.4
Lower Secondary	23.3	14.3	19.1	31.1	26.4	29.0
Secondary	12.9	6.0	9.3	16.8	13.4	15.1
Upper Secondary	1.9	1.8	1.8	9.3	6.0	7.7
University	1.6	0.5	1.0	3.7	1.5	2.5

Source: World Bank 2007, p.3; estimates using the Nepal Living Standards Survey of 1995/96, 2003/04

Annex B Table 7: Pass rates in final examinations in 2005-06 by ethnic group

	Grade 5			Grade 8			Grade 10		
Students	Total	Dalit	Janjati	Total	Dalit	Janjati	Total	Dalit	Janjati
Boys	86.4	82.4	80.6	83.5	79.2	77.8	43.4	41.5	45.7
Girls	86.9	84.9	86.2	84.2	83.8	81.4	46.4	43.6	50.5
Total	86.7	83.8	83.6	83.9	81.9	79.7	45.1	42.7	48.3

Source: Flash report, 2006, MOES (Khaniya 2007, p. 34)

Annex C. Basic Data Sheet

BASIC AND PRIMARY EDUCATION II PROJECT (CR. 3185)

Key Project Data *(amounts in US$ million)*

	Appraisal estimate	*Actual or current estimate*	*Actual as % of appraisal estimate*
Total project costs	55.7	70.3[31]	126%
Loan amount	12.5	12.2	100%
Co-financing	40.9	55.28	132%
Cancellation		0.34	

Cumulative Estimated and Actual Disbursements

	FY00	*FY01*	*FY02*	*FY03*	*FY04*	*FY05*
Appraisal estimate (US$M)	3.3	7.5	12.5			
Actual (US$M)	0.6	2.0	4.7	6.7	12.1	12.1
Actual as % of appraisal	18.2	26.9	37.9			

Date of final disbursement: 12/02/2004

Project Dates

	Original	*Actual*
Concept Note Review	07/10/1996	07/10/1996
Negotiations	02/23/1999	02/23/1999
Board approval	03/30/1999	03/30/1999
Signing	04/23/1999	04/23/1999
Effectiveness	07/22/1999[32]	10/19/1999
Closing date	07/15/2002	07/15/2004

Staff Inputs (Labor Cost - *amounts in US$ thousand)*

	FY98	*FY99*	*FY00*	*FY01*	*FY02*	*FY03*	*FY04*	*FY05*	*Total*
Preparation	187.7		5.0						192.7
Appraisal/Negotiations		88.7							88.7
Supervision			68.7	71.2	44.7	46.2	18.8		249.6
ICR								20.1	20.1
Total	187.7	88.7	73.7	71.2	44.7	46.2	18.8	20.1	551.1

[31] Reflects increase in Donors and Government's contributions following project closing date extensions.

[32] Taken from the basic column in SAP, there was no forecast data.

Mission Data

	Date (month/year)	*No. of persons*	*Staff days in field*	*Specializations represented*	*Implementation Progress*	*Development Objective*
Identification/ Preparation	11/28/1997	3		Education Specialist (Team Leader); Education Specialist; Operations Officer		
Appraisal/Negotiation	09/08/1998	10		Sr. Implementation Specialist/Team Leader; Education Specialists (3); Economist 91); Operations Analyst (1); Architects (2); Finance Specialist (1); Procurement Specialist (1)		
	12/14/1998	5		Sr. Implementation Specialist/Team Leader (1); Education Specialist (3); Operations Analyst (1)		
Supervision	05/30/1999	4		Sr. Implementation Specialist (1); Education Specialist (3)	S	S
	11/29/1999	6		Team Leader (1); Education Specialists (2); Procurement Specialist (1); Financial Mgmt Specialist (1); Architect Consultant (1)	S	S
	05/19/2000	5		IDA Coordinator (1); Education Specialist (1); Financial Mgmt Specialist (1); Procurement Specialist (1); Architect Consultant (1)	S	S
	11/24/2000	7		Team Leader (1); Lead Education Specialist (1); Education Specialist (2); Sr. Financial Mgmt Specialist (1); Sr. Procurement Specialist (1); Architect Consultant (1)	U	S
	04/05/2001	2		Team Leader (1); Education Specialist (1)	S	S
	12/14/2001	8		Team Leader (1); Sr. Education Specialist (1); Education Specialist (1); Financial Mgmt Specialist (2); Sr. Procurement Specialist (1); Education Planner (1); Architect Consultant (1)	S	S
	03/22/2002	5		Team Leader (1); Education Specialist (1); Sr. Procurement Specialist (1); Architect Consultant (1); Implementation Specialist Consultant (1)	S	S
	03/28/2003	5		Team Leaders (2); Financial Mgmt Specialist (1); Procurement Specialist (1); Architect Consultant (1)	S	S
	03/24/2004	5		Team Leader (1); Education Specialist (1); Financial Mgmt Specialist (1); Financial Mgmt Assistant (1); Architect Consultant (1)	S	S
Completion	09/28/2004	3		Team Leader (1); Sr. Education Specialist (1); Principal Author (1); Education Specialist (1); Program Assistant (1)	S	S